

EXHIBIT D

(ST. PAUL 2007-2008 EXCESS POLICY)

DELIVERY INVOICE

The **St Paul**

Company: ST. PAUL MERCURY INSURANCE COMPANY

I LEHMAN BROTHERS HOLDINGS INC.
N 1301 AVENUE OF THE AMERICAS, 6TH FLOOR
S NEW YORK NY 10019
U
R
E
D

Policy Inception/Effective Date: 05/16/07

Agency Number: 3142624

Transaction Type:

RENEWAL OF EC09000713

Transaction number:

Processing date: 11/07/2007

Policy Number: 590CM2698

A MARSH, INC.
G 1166 AVENUE OF THE AMERICAS
E NEW YORK, NY 10036
N
T

Policy Number	Description	Amount	Surtax/ Surcharge
590CM2698	EXCESS DIRECTORS LIABILITY	\$425,063	



IMPORTANT NOTICE REGARDING INDEPENDENT AGENT AND BROKER COMPENSATION

For information about how Travelers compensates independent agents and brokers, please visit www.travelers.com, or you may request a written copy from Marketing at One Tower Square, 2GSA, Hartford, CT 06183.

CC: 000 D59D
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HOW TO REPORT LOSSES, CLAIMS, OR POTENTIAL CLAIMS TO TRAVELERS

Reporting new losses, claims, or potential claims promptly can be critical. It helps to resolve covered losses or claims as quickly as possible and often reduces the overall cost. Prompt reporting:

- better protects the interests of all parties;
- helps Travelers to try to resolve losses or claims more quickly; and
- often reduces the overall cost of a loss or claim - losses or claims reported more than five days after they happen cost on average 35% more than those reported earlier.

Report losses, claims, or potential claims to Travelers easily and quickly by fax, U S mail, or email.

FAX

Use this number to report a loss, claim, or potential claim by fax toll free.

1-888-460-6622

US MAIL

Use this address to report a loss, claim, or potential claim by U S Mail.

Bond-FPS Claims Department
Travelers
Mail Code NB08F
385 Washington Street
Saint Paul, Minnesota 55102

EMAIL

Use this address to report a loss, claim, or potential claim by email.

Pro.E&O.Claim.Reporting@SPT.com

This is a general description of how to report a loss, claim, or potential claim under this policy or bond. This description does not replace or add to the terms of this policy or bond. The policy or bond alone determines the scope of coverage. Please read it carefully for complete information on coverage. Contact your agent or broker if you have any questions about coverage.

NEW YORK APPLICATION AND DECLARATIONS ADDENDA

XP102 Ed. 2/00

1. This policy is written on a claims-made basis and covers only claims first made during the Policy Period or the Extended Reporting Period, if applicable, for a wrongful act otherwise covered under this policy taking place before or during the Policy Period.
2. If this policy contains a retroactive date applicable to prior acts, this policy will not provide coverage on account of any claims based upon, arising out of, or attributable to any wrongful act which took place prior to the retroactive date.
3. Coverage under this policy ceases upon the effective date of termination or upon the expiration of the Policy Period, except for the Extended Reporting Period, if applicable.
4. In accordance with the terms of the Primary Policy:
 - a. an Automatic Extended Reporting Period of 60 days (90 if the Primary Policy is a public entity liability insurance policy) will be provided at no charge.
 - b. an Additional Extended Reporting Period of 12 MONTHS may also be purchased. An Unlimited Extended Reporting Period may also be purchased.

The premium due for such Additional Extended Reporting Period will be 150 % of the original annualized premium and the fully annualized amount of any additional premiums charged by the Insurer for or during the Policy Period set forth in Item 2 of the Declarations. The entire premium for the Additional Extended Discovery Period shall be deemed fully earned and non-refundable upon payment.

The extended reporting period may or may not be an unlimited time period. Upon the expiration of any extended reporting period provided with a definite time period, the possibility of potential gaps in coverage may arise.

5. During the first several years of claims-made coverage, claims-made rates are comparatively lower than occurrence rates. Substantial annual premium increases, independent of overall rate increases, can be expected until the claims-made relationship reaches maturity.



EXCESS POLICY

IMPORTANT NOTE: THIS IS CLAIMS MADE COVERAGE. PLEASE READ THIS POLICY CAREFULLY.
DECLARATIONS

Item 1. Insured and Insured's Address:

Lehman Brothers Holdings Inc
1301 Avenue of the Americas
New York, NY 10019

Policy Number: 590CM2698

Prior Policy Number: EC09000713

Item 2. Policy Period:

From: 12:01 A.M. 05/16/2007

To: 12:01 A.M. 05/16/2008

Local time at the address shown in Item 1.

Item 3. Limit of Liability: \$15,000,000

Item 4. Schedule of Underlying Insurer(s):

(A) Underlying Insurer	Policy Number	Policy Period	Limit of Liability	Retention Amount
XL Specialty Insurance Company	ELU097792-07	05/16/2007 to 05/16/2008	\$20,000,000	\$10,000,000
(B) Other Underlying Insurers				
See XP052 for additional policies		to		N/A
		to		N/A
		to		N/A

(C) Total Amount of Underlying Limit of Liability \$110,000,000 plus any applicable retentions or deductibles under the Primary Policy.

Item 5. Endorsements Effective at Inception:

XP041 - Ed.02-05, XP065 - Ed.05-00, MEL4878 - Ed.01-07, XP052 - Ed.05-9,
MEL4407 - Ed. 05-06, MEL5634 - Ed. 01-08

INSURING AGREEMENT

In consideration of the payment of the premium, and in reliance upon the completeness and accuracy of the statements and disclosures made to the Insurer or any underlying insurer by application, including its attachments, the Insurer agrees that this policy incorporates by reference and affords coverage in accordance with and subject to the insuring clauses, warranties, definitions, terms, conditions, exclusions and other provisions contained in the Primary Policy and to the extent coverage is further limited or restricted thereby, in any other Underlying Insurance, except as regards the premium, the limit of liability, the policy period, and except as otherwise provided herein. In no event shall this policy grant broader coverage than would be provided by any of the Underlying Insurance.

To the extent the insuring clauses, warranties, definitions, terms, conditions, exclusions or other provisions of the Primary Policy or other Underlying Insurance are changed to limit or restrict coverage, this policy shall become subject to such changes upon the effective date of the change in the Primary Policy or such other Underlying Insurance. To the extent the insuring clauses, warranties, definitions, terms, conditions, exclusions or other provisions of the Primary Policy are changed to expand or broaden coverage, this policy shall become subject to such changes only if: (i) the Insurer has received prior written notice from the Insured(s) of such changes; (ii) the Insurer has given the Insured(s) its written consent to such changes; and (iii) the Insured(s) has paid any required additional premium.

TERMS, CONDITIONS AND LIMITATIONS

Section 1. DEFINITIONS

Wherever used in this policy:

XP001 Ed. 5/98

© 1998 The Travelers Companies, Inc.

The following spaces preceded by an (*) need not be completed if this endorsement or rider and the Policy have the same inception date.

ATTACHED TO AND FORMING PART OF POLICY NO.	DATE ENDORSEMENT OR RIDER EXECUTED	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER 12:01 A.M. LOCAL TIME AS SPECIFIED IN THE POLICY
590CM2698	11/07/07	05/16/07

* ISSUED TO

LEHMAN BROTHERS HOLDINGS INC.

PRIOR OR PENDING LITIGATION EXCLUSION
XP041 Rev. 2-05

In consideration of the premium charged, it is understood and agreed that the Insurer shall not be liable for loss on account of any claim made against any Insured(s) based upon, arising out of, or attributable to any prior or pending written demand, administrative or regulatory proceeding or litigation against any Insured(s) as of
May 16th, 2003

as well as all future claims or litigation based upon, arising out of, or attributable to such prior or pending demand, proceeding or litigation, or derived from the same or essentially the same fact, circumstance, or situation underlying or alleged therein.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy, other than as above stated.

By _____

Authorized Representative

CC: 000 D59D
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* 7 B O O 2 590CM2698 671

The following spaces preceded by an (*) need not be completed if this endorsement or rider and the Policy have the same inception date.

ATTACHED TO AND FORMING PART OF POLICY NO.	DATE ENDORSEMENT OR RIDER EXECUTED	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER 12:01 A.M. LOCAL TIME AS SPECIFIED IN THE POLICY
590CM2698	11/07/07	05/16/07
* ISSUED TO LEHMAN BROTHERS HOLDINGS INC.		

NEW YORK AMENDATORY ENDORSEMENT
XP065 Ed. 5/00

In consideration of the premium charged, it is understood and agreed that:

1. the following provision is added to this policy:

Conformity to Statute. Terms of this policy which are in conflict with the coverage requirements of the applicable insurance laws of the State of New York or the applicable regulations of the New York Insurance Department are hereby amended to conform to such statutes and regulations except that the Limit of Liability of this policy shall be excess of the Underlying Limit of Liability, as shown in Item 4(C) of the Declarations.

2. Section 5. NOTICE is amended in its entirety to read as follows:

All notices under any provision of this policy shall be in writing. Notice to the Insurer of any claim or circumstance may be given to The St. Paul Companies, Inc., 385 Washington Street, St. Paul, MN 55102-1396, Attention: Professional E&O Claim Unit, or to any licensed agent of the Insurer. All other notices to the Insurer under this policy may be given to the same addressee but to the attention of the Financial and Professional Services Unit, or to any licensed agent of the Insurer.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy, other than as above stated.

By _____
Authorized Representative

The following spaces preceded by an (*) need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.

ATTACHED TO AND FORMING
PART OF BOND OR POLICY NO.

590CM2698

DATE ENDORSEMENT OR
RIDER EXECUTED

11/07/07

* EFFECTIVE DATE OF ENDORSEMENT OR RIDER

05/16/07

12:01 A.M. LOCAL TIME AS
SPECIFIED IN THE BOND OR POLICY

* ISSUED TO

LEHMAN BROTHERS HOLDINGS INC.

**UNDERLYING INSOLVENCY EXCESS DIC ENDORSEMENT AND REPLACE SECTION
3. ATTACHMENT AND LIMIT OF LIABILITY ENDORSEMENT**
(For use with XP001 Ed. 5/98)
MEL4878 Ed. 01/07

In consideration of the premium charged, it is understood and agreed that

1. The following definition is added to Section 1. DEFINITIONS:

Insolvency Event means:

- a. during or after the policy period, the most immediate underlying insurer (i) becoming subject to a receivership, liquidation, dissolution, rehabilitation or any similar proceeding, or (ii) being taken over by any regulatory authority; or
- b. during or after the policy period, the most immediate underlying insurer reducing its attachment point as the result of dropping down due to any other Underlying Insurance (i) becoming subject to a receivership, liquidation, dissolution, rehabilitation or any similar proceeding, or (ii) being taken over by any regulatory authority.

2. Section 3. ATTACHMENT AND LIMIT OF LIABILITY is replaced by the following:

Section 3. ATTACHMENT AND LIMIT OF LIABILITY

- A. The Insurer shall only be liable to make payment under this policy after the total amount of the Underlying Limit of Liability has:

1. been paid in legal currency by the insurers of the Underlying Insurance as covered loss thereunder, or
2. become unavailable by reason of an Insolvency Event.

- B. In the event of the reduction or exhaustion of the total amount of the Underlying Limit of Liability solely by reason of the payment by the insurers of the Underlying Insurance of covered loss, or in the event such total amount is unavailable, in whole or in part, by reason of an Insolvency Event, this policy shall:

1. in the event of such reduction, or partial unavailability, pay excess of the reduced, or remaining available, amount of the Underlying Limit of Liability but not to exceed the amount stated in Item 3 of the Declarations, or
2. in the event of such exhaustion, or total unavailability, continue in force as primary insurance provided always that this policy shall only pay the excess over any retention amount otherwise applicable under the Primary Policy, but not to exceed the amount stated in Item 3 of the Declarations.

- C. The Insurer's maximum aggregate liability under this policy with respect to all loss on account of all claims first made during the Policy Period stated in Item 2 of the Declarations (including any discovery period or extended reporting period properly elected under this policy) shall be the amount stated in Item 3 of the Declarations.

The following spaces preceded by an (*) need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.

ATTACHED TO AND FORMING PART OF BOND OR POLICY NO.	DATE ENDORSEMENT OR RIDER EXECUTED	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER	12:01 A.M. LOCAL TIME AS SPECIFIED IN THE BOND OR POLICY
590CM2698		05/16/2007	

* ISSUED TO

Lehman Brothers, Inc.

OUTSIDE DIRECTORSHIP LIABILITY NON-ACCUMULATION OF LIABILITY AND RECOGNITION OF
UNDERLYING INSURER PARTICIPATION ENDORSEMENT
MEL5634 Ed. 01-08
(For use with XP001)

In consideration of the premium charge, it is hereby understood and agreed that the following Section is added to this Policy:

Section 7: OUTSIDE DIRECTORSHIP LIABILITY NON-ACCUMULATION OF LIABILITY AND
RECOGNITION OF UNDERLYING INSURER PARTICIPATION

If any loss arising from a claim made against any Insured, as covered by the Primary Policy under Endorsement #38, AMEND INSURED PERSON ENDORSEMENT, including any amendments to such Endorsement, (hereinafter "ODL Claim"), is covered under any other valid policy(ies) issued by any member company of the The Travelers Companies, Inc., then the total amount the Insurer shall pay under all such policies for all covered loss an account of such claim shall not exceed the combined aggregate Limit of Liability of \$25,000,000.

Further, and solely with respect to an ODL Claim, this Policy shall recognize any payment made by the insurers of the Underlying Insurance or Lehman Brothers Holdings, Inc. for covered loss arising from a claim made against any Insured under:

- a) any directors and officers liability policy issued by any insurer of any Underlying Insurance or their affiliates for such outside entity, or
- b) any Underlying Insurance

as being part of the Underlying Limit of Liability with respect to an ODL Claim, for purposes of reduction or exhaustion of said limits.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.

By

Authorized Representative

The following spaces preceded by an (*) need not be completed if this endorsement or rider and the Policy have the same inception date.

ATTACHED TO AND FORMING PART OF POLICY NO.	DATE ENDORSEMENT OR RIDER EXECUTED	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER 12:01 A.M. LOCAL TIME AS SPECIFIED IN THE POLICY
590CM2698	01/29/08	05/16/07

* ISSUED TO

LEHMAN BROTHERS HOLDINGS INC.

SCHEDULE OF UNDERLYING INSURER(S) AMENDATORY ENDORSEMENT XP052 Ed. 5/98

In consideration of the premium charged, it is understood and agreed that Item 4 of the Declaration is amended to read as follows:

Item 4. Schedule of Underlying Insurer(s):	Policy Number	Policy Period	Limit of Liability	Retention Amount
(A) Underlying Insurer:				
XL Specialty Insurance Company	ELU097792-07	05/16/2007 to 05/16/2008	\$20,000,000	\$10,000,000
(B) Other Underlying Insurers:				
Federal Insurance Company	70430876	05/16/2007 to 05/16/2008	\$15,000,000	N/A
Continental Casualty Company	DOX 267996454	05/16/2007 to 05/16/2008	\$10,000,000	
Lloyds	509/QA016907	05/16/2007 to 05/16/2008	\$10,000,000	
US Specialty Insurance Company	24-MGU-07-A14479	05/16/2007 to 05/16/2008	\$15,000,000	
Zurich American Insurance Company	DOC 7995104 09	05/16/2007 to 05/16/2008	\$15,000,000	
ACE Bermuda	LEHM-11742D	05/16/2007 to 05/16/2008	\$25,000,000	
		to		
		to		

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy, other than as above stated.

By _____

Authorized Representative

INSURED

Page 1 of 2

ENDORSEMENT OR RIDER NO.

The following spaces preceded by an () need not be completed if this endorsement or rider and the Policy have the same inception date.*

ATTACHED TO AND FORMING PART OF POLICY NO.	DATE ENDORSEMENT OR RIDER EXECUTED	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER 12:01 A.M. LOCAL TIME AS SPECIFIED IN THE POLICY
590CM2698		05/16/2007

* ISSUED TO

Lehman Brothers, Inc

REPLACE INSURING AGREEMENT

(for use with XP001 Ed. 2/05)

MEL4407 Ed. 5/06

In consideration of the premium charged, it is understood and agreed that the following replaces the Insuring Agreement of this policy:

INSURING AGREEMENT

In consideration of the payment of the premium, and in reliance upon the completeness and accuracy of the statements and disclosures made to the Insurer and any issuer of Underlying Insurance by application, including all attachments, the Insurer agrees, notwithstanding any other provision of this policy or any endorsement hereto (whether such endorsement precedes this endorsement or follows it in order) to the contrary, that this policy follows the insuring clauses, warranties, definitions, terms, conditions, exclusions and other provisions of the Followed Policy, except as regards the premium, the limit of liability, the policy period, and except as otherwise provided herein. In no event shall this policy grant broader coverage than would be provided by the most restrictive Underlying Insurance.

To the extent the insuring clauses, warranties, definitions, terms, conditions, exclusions or other provisions of the Followed Policy or other Underlying Insurance are changed to limit or restrict coverage, this policy shall become subject to such changes upon the effective date of the change in the Followed Policy or such other Underlying Insurance. To the extent the insuring clauses, warranties, definitions, terms, conditions, exclusions or other provisions of the Followed Policy are changed to expand or broaden coverage, this policy shall become subject to such changes only if: (i) the Insurer has received written notice from the Insured(s) of such changes; (ii) the Insurer has given the Insured(s) its written consent to such changes; and (iii) the Insured(s) has paid any required additional premium.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy, other than as above stated.

By _____
Authorized Representative